

**MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA
(A COMPONENT UNIT OF BIBB COUNTY, GEORGIA)**

**FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 2012**

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

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INDEPENDENT AUDITOR'S REPORT

Macon-Bibb County Board of Health
Macon, Georgia

We have audited the accompanying financial statements of the governmental activities and the major fund of the Macon-Bibb County Board of Health, a component unit of Bibb County, Georgia, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Board's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Macon-Bibb County Board of Health's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the Macon-Bibb County Board of Health as of June 30, 2012 and the respective changes in financial position and the respective budgetary comparison for the General Fund, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

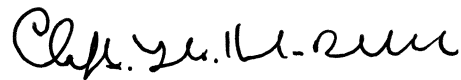
In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2012 on our consideration of the Macon-Bibb County Board of Health's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 3 through 8 and 15 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America.

We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Macon-Bibb County Board of Health's basic financial statements. The individual program financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The individual program financial statements and schedules and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Macon, Georgia
November 7, 2012



MANAGEMENT'S DISCUSSION & ANALYSIS

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012

As management of the Board, we offer readers of the Board's financial statements this narrative overview and analysis of the financial activities of the Board for the fiscal year ended June 30, 2012.

FINANCIAL HIGHLIGHTS

- The assets of the Board exceeded its liabilities as of June 30, 2012 by \$1,391,969.
- The government's total net assets increased by \$90,715 for the fiscal year ended June 30, 2012.
- As of June 30, 2012, total net assets consisted of \$114,381 invested in capital equipment, \$1,348,563 restricted for programs, and \$(70,975) unrestricted.
- As of the close of the current fiscal year, the Board's governmental fund reported ending fund balance of \$1,425,294, an increase of \$13,608 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$76,731, or 1.4 percent of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Board's basic financial statements. The Board's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Board's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Board's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Board is improving or deteriorating.

The statement of activities presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods, such as earned but unused vacation leave.

Both of the government-wide financial statements distinguish functions of the Board that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Board include health and welfare services. The Board currently has no business-type activities.

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012
(CONTINUED)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of a government can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Board currently has only one fund, the General Fund, which is a governmental fund.

The Board adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided to demonstrate compliance with this budget.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Board, assets exceeded liabilities by \$1,391,969 at the close of the most recent fiscal year.

A significant portion of the Board's net assets reflects its investment in capital assets, less any related debt outstanding. The Board uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. As of June 30, 2012, the investment consists of \$452,084 in assets and accumulated depreciation of \$337,703. No outstanding debt is applicable.

An additional portion of the Board's net assets represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets may be used to meet the government's ongoing obligations.

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012
(CONTINUED)

At the end of the current fiscal year, the Board is able to report positive balances in all three categories of net assets. The same was true for the prior fiscal year.

As of June 30, 2012, current assets increased by \$26,337 and capital assets decreased by \$37,104. Total liabilities decreased by \$87,867 and net assets increased by \$77,100, compared to June 30, 2011.

	Net Assets	
	2012	2011
Assets		
Current and other assets	\$ 1,502,440	\$ 1,476,103
Capital assets	114,381	151,485
Total assets	<u>1,616,821</u>	<u>1,627,588</u>
Liabilities		
Current and other liabilities	187,925	248,116
Long-term liabilities	36,927	64,603
Total liabilities	<u>224,852</u>	<u>312,719</u>
Net assets		
Invested in capital assets	114,381	151,485
Restricted	1,348,563	1,348,571
Unrestricted	(70,975)	(185,187)
Total net assets	<u>\$ 1,391,969</u>	<u>\$ 1,314,869</u>
Program revenues		
Charges for services	\$ 1,775,859	\$ 1,920,604
Operating grants and contributions	3,084,666	3,178,414
General revenues		
Payment from Bibb County	633,817	663,817
Grants and contributions not restricted to specific programs	521	100
Other	3,115	3,473
Total revenues	<u>5,497,978</u>	<u>5,766,408</u>
Expenses:		
Health and welfare	5,407,263	5,507,871
Total expenses	<u>5,407,263</u>	<u>5,507,871</u>
Increase (decrease) in net assets	90,715	258,537
Net assets beginning, restated	1,301,254	1,056,332
Net assets ending	<u>\$ 1,391,969</u>	<u>\$ 1,314,869</u>

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012
(CONTINUED)

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The Board uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the Board's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Board's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2012, the Board's governmental fund reported ending fund balance of \$1,425,294. Of this balance, \$76,731 constitutes unassigned fund balance, which is available for spending at the government's discretion. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been restricted for particular purposes.

The general fund is the operating fund of the Board. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 1.4 percent of total general fund expenditures, while total fund balance represents 26 percent of the same amount.

The fund balance of the Board's general fund increased by \$13,608 during the current fiscal year, compared to an increase of \$151,571 in 2011. Key factors in the current year were as follows:

- Changes in Medicaid and Care Managed Organization designations and payment schedules.
- Indirect costs increased.
- Ability to bill more insurance companies.
- Normal operating expenses increased while number of clients' ability to pay full fees decreased.

GENERAL FUND BUDGETARY HIGHLIGHTS

Key differences between the original budget and the final amended budget were as follows:

Grant in aid increased \$463,157 or 23% over the original budget. The increase was due to changes in funding received for the following programs:

- | | |
|---------------------------------|------------|
| • General Public Health Program | \$ 466,018 |
| • Ryan White Title 2 Program | 47,187 |

Federal contract revenues increased \$48,674 or 8.9% over the original budget. The increase was due to additional funding received for the Ryan White Title III grant.

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012
(CONTINUED)

Budgeted expenditures changed as follows:

- | | |
|--------------------------|-----------|
| • Personnel expenditures | \$ 84,080 |
| • Equipment | 51,700 |
| • Other operating | 881,872 |

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Board's investment in capital assets for its governmental activities as of June 30, 2012, amounts to \$114,381, net of accumulated depreciation. The investment in capital assets consists of machinery and equipment. For the current fiscal year, the investment in capital assets decreased \$37,104, including current year purchases of \$17,585, net disposals of 3,135 and depreciation expense of \$51,554.

As of June 30, 2012, the Board does not own any infrastructure assets. The land, buildings, and related infrastructure utilized by the Board are owned by Bibb County, Georgia. As of June 30, 2012, the Board does not have any debt related to capital assets.

	<u>2012</u>	<u>2011</u>
Machinery and equipment	\$ 452,084	\$ 524,153
Accumulated depreciation	<u>(337,703)</u>	<u>(372,668)</u>
Total	<u>\$ 114,381</u>	<u>\$ 151,485</u>

Additional information about the Board's capital assets can be found in note 5 on page 23 of this report.

Long-Term Debt

As of June 30, 2012, the Board's only reported long-term debt consisted of compensated absences.

Additional information about the Board's long-term debt can be found in note 6 on page 24 of this report.

ECONOMIC FACTORS

During the fiscal year 2012, notable events were as follows:

- County funding reduced \$30,000 voluntarily.
- Revenues received from Medicaid and Medicare reimbursements decreased 32.7% due to delays in reimbursements.
- Personnel costs decreased by \$267,227 or 6.9%. Salaries decreased due to retirement of long tenure employees in addition to reorganization of clinics. However, rate of fringe benefits increased.

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2012
(CONTINUED)

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Board's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Ms. Mary Alexander, Macon-Bibb County Board of Health, 171 Emery Highway, Macon, Georgia, 31217.

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BASIC FINANCIAL STATEMENTS

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

STATEMENT OF NET ASSETS
JUNE 30, 2012

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Current Assets	
Cash	\$ 110,075
Investments	1,182,333
Accounts receivable	10,667
Due from other governments	<u>199,365</u>
Total Current Assets	<u>1,502,440</u>
Noncurrent Assets	
Capital assets (Note 5)	
Depreciable, net	<u>114,381</u>
Total Noncurrent Assets	<u>114,381</u>
Total Assets	<u>1,616,821</u>
<u>LIABILITIES</u>	
Current Liabilities	
Accounts payable	77,146
Compensated absences payable	<u>110,779</u>
Total Current Liabilities	<u>187,925</u>
Long-term Liabilities (net of current portion) (Note 6)	
Compensated absences payable	<u>36,927</u>
Total Long-term Liabilities	<u>36,927</u>
Total Liabilities	<u>224,852</u>
<u>NET ASSETS</u>	
Invested in capital assets	114,381
Restricted for:	
Prior year program income	1,348,563
Unrestricted	<u>(70,975)</u>
Total Net Assets	<u><u>\$ 1,391,969</u></u>

The notes to the financial statements are an integral part of this statement.

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities					
Health and welfare	\$ 5,407,263	\$ 1,775,859	\$ 3,084,666	\$ -	\$ (546,738)
Total Governmental Activities	5,407,263	1,775,859	3,084,666	-	(546,738)
Total Government	\$ 5,407,263	\$ 1,775,859	\$ 3,084,666	\$ -	(546,738)
General Revenues					
Payment from Bibb County					633,817
Grants and contributions not restricted to specific programs					521
Interest and investment earnings					2,460
Miscellaneous					655
Total General Revenues					637,453
Change in Net Assets					90,715
Net Assets - Beginning of Year, restated					1,301,254
Net Assets - End of Year					\$ 1,391,969

The notes to the financial statements are an integral part of this statement.

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	General Fund
<u>ASSETS</u>	
Cash	\$ 110,075
Investments	1,182,333
Accounts receivable	10,667
Due from other governments	199,365
	<hr/>
Total Assets	<u>\$ 1,502,440</u>
<u>LIABILITIES AND FUND BALANCE</u>	
Liabilities:	
Accounts payable	\$ 77,146
	<hr/>
Total Liabilities	77,146
	<hr/>
Fund Balance:	
Restricted	1,348,563
Unassigned	76,731
	<hr/>
Total Fund Balance	1,425,294
	<hr/>
Total Liabilities and Fund Balance	<u>\$ 1,502,440</u>

The notes to the financial statements are an integral part of this statement.

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

RECONCILIATION OF THE BALANCE SHEET
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF NET ASSETS
JUNE 30, 2012

Total Governmental Fund Balances	\$ 1,425,294
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Amounts reported for governmental activities in the Statement of Net Assets differ from amounts reported in the Balance Sheet of Governmental Funds due to the following:

Capital Assets

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

114,381

Long-term Liabilities

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

(147,706)

Net Assets of Governmental Activities

\$ 1,391,969

The notes to the financial statements are an integral part of this statement.

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	<u>General Fund</u>
<u>Revenues:</u>	
Intergovernmental	\$ 3,718,483
Charges for services	1,775,859
Interest	2,460
Donations	521
Other income	<u>655</u>
Total Revenues	<u>5,497,978</u>
<u>Expenditures:</u>	
Current:	
Health and welfare	<u>5,484,370</u>
Total Expenditures	<u>5,484,370</u>
Net change in fund balance	13,608
Fund Balance - Beginning of Year, restated	<u>1,411,686</u>
Fund Balance - End of Year	<u><u>\$ 1,425,294</u></u>

The notes to the financial statements are an integral part of this statement.

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

RECONCILIATION OF THE STATEMENT OF REVENUES
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Net Changes in Fund Balances - Total Governmental Funds	\$ 13,608
Amounts reported for governmental activities in the Statement Activities differ from amounts reported in Government Fund Statement of Revenues, Expenditures and Changes in Fund Balance due to the following:	
Capital Outlay	
Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures.	
Total capital outlays	17,585
Total depreciation	(51,554)
The net effect of various miscellaneous transactions involving capital assets (i.e., sales, donations, annexing) is to increase net assets.	(3,135)
Compensated Absences	<u>114,211</u>
Change in Net Assets of Governmental Activities	<u><u>\$ 90,715</u></u>

The notes to the financial statements are an integral part of this statement.

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual	Variance
	Original	Final	Budgetary Basis	Positive (Negative)
Revenues:				
Intergovernmental				
Department of Public Health				
Grant-in-aid	\$ 2,007,523	\$ 2,470,680	\$ 2,470,679	\$ (1)
Other federal funds	547,919	596,593	613,987	17,394
Local funding - participating	374,951	374,951	374,951	-
Local funding - nonparticipating	258,866	258,866	258,866	-
Charges for services				
Medicaid/Medicare fees	100,000	151,000	162,749	11,749
Client fees	270,000	230,700	327,766	97,066
Private insurance	80,000	79,200	98,401	19,201
Other party contracts	125,000	282,500	295,970	13,470
EPSTD fees	30,000	35,000	41,870	6,870
Family planning fees	40,000	20,000	20,385	385
Environmental health fees	360,000	360,000	383,164	23,164
Intra/Inter agency contracts	-	60,000	62,277	2,277
Vital statistics fees	350,000	350,000	365,811	15,811
Intra/Inter agency WIA	-	10,000	17,466	7,466
Interest income	3,000	3,000	2,460	(540)
Donations	-	521	521	-
Other local income	-	200	655	455
Total Revenues	4,547,259	5,283,211	5,497,978	214,767
Expenditures:				
Personnel services	4,011,124	4,095,204	3,629,409	465,795
Equipment	5,000	56,700	51,196	5,504
Other operating	1,437,054	2,318,926	1,546,115	772,811
Indirect costs	122,000	160,952	119,052	41,900
Intergovernmental	-	-	138,598	(138,598)
Total Expenditures	5,575,178	6,631,782	5,484,370	1,147,412

The notes to the financial statements are an integral part of this statement.

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL - GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Budget Amounts		Actual	Variance
	Original	Final	Budgetary Basis	Positive (Negative)
Excess (Deficit) Revenues Over Expenditures	(1,027,919)	(1,348,571)	13,608	1,362,179
Other Financing Sources (Uses):				
Prior year program income available	1,027,919	1,348,571	1,334,956	(13,615)
Prior year program income expended	(1,027,919)	(1,348,571)	(1,334,956)	13,615
Total Other Financing Sources (Uses)	-	-	-	-
Net change in fund balance	(1,027,919)	(1,348,571)	13,608	1,362,179
Fund Balance - Beginning of Year, restated	-	-	1,411,686	1,411,686
Fund Balance - End of Year	\$ (1,027,919)	\$ (1,348,571)	\$ 1,425,294	\$ 2,773,865

The notes to the financial statements are an integral part of this statement.

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NOTES TO THE BASIC FINANCIAL STATEMENTS

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Macon-Bibb County Board of Health was originally established by Constitutional Amendment. On January 25, 1999, a joint resolution of transition was adopted to affect a transition from the Constitutional Board to a seven-member Statutory Board. The Board operates under Chapter 31-3 of the Official Code of Georgia Annotated, as amended, and provides health and social services to residents of the Middle Georgia area.

The accounting policies of the Macon-Bibb County Board of Health conform to generally accepted accounting principles as applicable to governments. The following is a summary of the policies applied in the preparation of the accompanying financial statements:

A. Reporting Entity

The financial statements of the reporting entity include those of the primary government and any component units. A component unit is a legally separate organization for which the elected officials of the primary government are financially accountable. In addition, a component unit can be another organization for which the nature and significance of its relationship with a primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

In conformity with generally accepted accounting principles, as set forth in Statement of Governmental Accounting Standards No. 14 "The Financial Reporting Entity", the Board's relationships with other governments and agencies have been examined. As a result, no component units were identified which should be included in the reporting entity. However, the Board is a component unit of Bibb County, Georgia. Certain financial information from the Board is included in the financial statements of the Bibb County Reporting Entity.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (Statement of Net Assets and Statement of Activities) report information on all of the nonfiduciary activities of the government. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-side financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities, subject to this same limitation. The government has elected not to follow subsequent private-sector guidance.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when the obligations are expected to be liquidated with expendable available financial resources. Intergovernmental grant revenues and interest revenue are considered susceptible to accrual. All other revenues, including fee revenues, are considered to be measurable and available only when cash is received by the government.

The fund financial statements provide more detailed information about the government's most significant funds, not the government as a whole. The activities of the government are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses as appropriate.

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(CONTINUED)

Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The government has one type of fund:

Governmental Funds - Governmental Funds are used to account for the Board's general government activities. The Board has one governmental fund type, the General Fund.

The general fund is the Board's primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.

D. Deposits and Investments

The Board's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value, which is determined using selected bases. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates, and investments that do not have an established market are reported at estimated fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

E. Receivables

Receivables and Due from Other Governments represent funds to be received from other local governments, state grant-in-aid, state contracts, or federal funds. No allowance is deemed necessary for these receivables.

F. Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of governmental fund-type inventories are recorded as expenditures when consumed rather than when purchased.

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$1,000 and an estimated useful life of over one year. Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(CONTINUED)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Capital assets of the government are depreciated using the straight line method over the following estimated useful lives:

Equipment	5 years
-----------	---------

H. Compensated Absences

It is the Board's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. There is no liability for unpaid accumulated sick leave since the government does not have a policy to pay any amounts when employees separate from service with the government. All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

I. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statement of net assets.

J. Fund Equity

In the financial statements, governmental funds report the following classifications of fund balance:

- Nonspendable – amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- Restricted – amounts are restricted when constraints have been placed on the use of resources by (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed – amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. The Board of Directors approves committed resources through a motion and vote during the voting session of Board meetings.

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(CONTINUED)

- Assigned – amounts that are constrained by the Board’s intent to be used for specific purposes, but are neither restricted nor committed. The intent is expressed by the Board.
- Unassigned – amounts that have not been assigned to other funds and that are not restricted, committed or assigned to specific purposes within the General Fund.

The Board does not have a formal minimum fund balance policy.

The following is a summary of the fund balance classifications as of June 30, 2012:

	<u>General Fund</u>
Fund Balances:	
Restricted for:	
Prior year program income	\$ 1,348,563
Unassigned	<u>76,731</u>
Total fund balances	<u><u>\$ 1,425,294</u></u>

K. Risk Management

The Board is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; and errors or omissions. The Board purchases commercial insurance for these types of risk. Insurance coverage by major categories of risk has not changed significantly from the prior year.

NOTE 2 – BUDGETARY INFORMATION

A. Annual Budgets

Annual budgets are adopted on a basis consistent with Department of Public Health (DPH) policies. All annual appropriations lapse at fiscal year end.

An annual budget is prepared for the Board based on the grant or contract from the Georgia Department of Public Health. The budget is prepared by program. Transfers of appropriations between line items must be submitted for budget approval from the state. The legal level of control is the line item level. The agreement with the Department of Public Health provides that a line item is one of the following expenditure groups: personnel services, equipment, other operating, and interagency.

The budget is modified during the fiscal year with approval from the state. The Board made several supplementary budgetary appropriations throughout the year.

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(CONTINUED)

B. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Board. Budget to Generally Accepted Accounting Principal Basis reconciliations are not required.

C. Excess of Expenditures over Appropriations

The grant agreement with the Department of Public Health (DPH) does not allow reimbursement for expenditures per budget line item in excess of 10% of the line item's budget. There were no programs in the current fiscal year in which actual expenditures exceeded the 10% limitation per budget line item.

The Board had intergovernmental expenditures of \$138,598, which was for moving the business management of the Ryan White programs to the district office.

D. Budget to GAAP Differences

In accordance with DPH Policies and Procedures, prior year program fee income in the fund balance at June 30, 2011, is reclassified and recognized as prior year program income in the subsequent year, for budgetary purposes. The prior year program income related to the general health program amounted \$1,234,721 for the fiscal year ended June 30, 2012.

NOTE 3 – CASH AND INVESTMENTS

A. Custodial Credit Risk - Deposits

The custodial credit risk of deposits is the risk that in the event of the failure of the bank, the government will not be able to recover deposits.

The Board's bank balances of deposits as of June 30, 2012 are entirely insured or collateralized with securities held by the Board's agent in the Board's name.

State statutes require banks holding public funds to secure these funds by FDIC insurance, securities pledged at par value, and surety bonds at face value in combined aggregate totaling not less than 110 percent of the public funds held.

B. Investments

<u>Maturity</u>	<u>Credit Rating</u>	<u>Investment Value</u>	<u>Weighted Average</u>
Georgia Fund 1	AAAm rated	\$1,182,333	24-day

Custodial credit risk. For an investment, the custodial risk is the risk that in the event of the failure of the counter-party to a transaction, an entity will not be able to recover the value of the investment or collateral securities that are in possession of an outside party. Georgia

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(CONTINUED)

Fund 1 is not required to disclose custodial credit risk. The Board had no such investments with such risk as of June 30, 2012

Interest rate risk. Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk. Georgia law allows investments in obligations of the U.S. Treasury, other U.S. Governmental Agencies, State of Georgia, other states, prime banker's acceptance, repurchase agreements, and other political subdivisions of Georgia and the State of Georgia Fund 1 investment pool. The Georgia Fund 1 is not registered with the SEC. The State of Georgia Office of Treasury operates Georgia Fund 1 in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. Georgia Fund 1 is a stable net asset value investment pool that follows Standard & Poor's criteria for AAAM rated money market funds.

NOTE 4 – SCHEDULE OF DUE FROM/TO OTHER GOVERNMENTS

Receivables as of June 30, 2012 are as follows:

Due from other governments	
Department of Public Health	\$ 199,365

The balance due from the Georgia Department of Public Health represents a receivable for the 001 Public Health program for \$188,255 and 094 Ryan White program for \$11,110.

NOTE 5 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2012, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital assets, being depreciated				
Equipment	\$ 524,153	\$ 17,585	\$ (89,654)	\$ 452,084
Total capital assets, being depreciated	<u>524,153</u>	<u>17,585</u>	<u>(89,654)</u>	<u>452,084</u>
Less accumulated depreciation				
Equipment	(372,668)	(51,554)	86,519	(337,703)
Total accumulated depreciation	<u>(372,668)</u>	<u>(51,554)</u>	<u>86,519</u>	<u>(337,703)</u>
Total capital assets, being depreciated, :	<u>151,485</u>	<u>(33,969)</u>	<u>(3,135)</u>	<u>114,381</u>
Governmental Activities, net	<u>\$ 151,485</u>	<u>\$ (33,969)</u>	<u>\$ (3,135)</u>	<u>\$ 114,381</u>

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(CONTINUED)

Depreciation expense charged to functions, as follows:

Health and welfare	\$ 51,554
Total depreciation expense	\$ 51,554

NOTE 6 – LONG-TERM LIABILITIES

Long-term liability activity for the fiscal year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Deductions	Ending Balance	Due Within One Year
Other liabilities:					
Compensated absences	\$ 261,917	\$ 137,210	\$ (251,421)	\$ 147,706	\$ 110,779
Total other liabilities	261,917	137,210	(251,421)	147,706	110,779
Total Governmental activities	\$ 291,548	\$ 137,210	\$ (251,421)	\$ 147,706	\$ 110,779

NOTE 7 – RETIREMENT PLANS

Employees' Retirement System of Georgia

Plan Description

All full-time personnel employed by the Board of Health participate in the Employees' Retirement System of Georgia (ERS), which is a cost-sharing multiple-employer, defined benefit, public employee retirement system (PERS).

ERS provides service retirement, disability retirement, and survivor's benefits for its members. Members may retire and receive a normal monthly retirement benefit after 10 years of creditable service and the age of 65. Early retirement at the age of 60 may be elected, with a 5% reduction of benefits for each year under the age of 65 if the individual has fewer than 30 years of creditable service. Individuals with 30 years of creditable service may retire early, regardless of age. Death benefits and disability retirement benefits vary according to years of service.

Members become fully vested after 10 years of service. If a member terminates with less than 10 years of service, no vesting of employer contributions occurs, but the member's contributions are refunded with interest.

Benefit provisions are established by the ERS Board of Trustees, and may be amended by their action. The ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Employees' Retirement System of Georgia, Two Northside 75, Suite 300, Atlanta, Georgia 30318-7778.

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(CONTINUED)

Contributions

All members of the system contribute 1.25% for Retirement Contributions, and 0.25% for Group Term Life Insurance. All employee contributions on deposit at least one year earn four percent interest compounded annually.

The Board contribution is set by the ERS Board of Trustees, dependent on the recommendation of the System's actuary. Such employer contributions fund the major portion of benefits under ERS and are adjusted periodically to insure actuarial soundness of the System. The contribution rate effective for the fiscal year ending June 30, 2012, was 10.41%. The Board contributed 100% of the required contribution in the current year and each of the two preceding years.

Other

During 2012 and as of June 30, 2012, ERS held no securities issued by the Board or other related parties.

The unfunded pension benefit obligation, employee and employer contributions, and ten year historical trend information is presented in the 2004 ERS Component Unit Financial Report.

NOTE 8 – CONCENTRATION OF CREDIT RISK

The Board receives a substantial amount of its support from the Department of Public Health. A significant reduction in the level of support, if this were to occur, may have an effect on the Board's programs and activities.

NOTE 9 – CONTINGENT LIABILITIES

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the government expects such amounts, if any to be immaterial.

During the course of normal operations of the Board, various claims and lawsuits arise. Although the outcome of these lawsuits is not presently determinable, in the opinion of the government's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the government.

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2012
(CONTINUED)

NOTE 10 – TRANSFER TO DISTRICT

The Ryan White programs 094 and 362 were moved to the North Central Health District effective April 1, 2012. The Board transferred the balance of Ryan White funds, which included Medicaid, Medicare, client fees, insurance, and prior year program income, to the District office in April 2012. The following is a summary of the amounts transferred:

Ryan White Program 094	\$ 86,643
Ryan White Program 094	
Payable to DCH	(13,615)
Ryan White Program 362	<u>65,570</u>
Total transferred to North	
Central Health District	<u><u>\$ 138,598</u></u>

NOTE 11 – RESTATEMENT OF EQUITY BALANCES

A prior period adjustment was necessary to record a payable to the Georgia Department of Public Health (DPH) for an advance on grant funds in fiscal year 2011 in the amount of \$13,615. The effects of this adjustment are as follows:

Governmental-type activities:	
Net assets, June 30, 2011	\$ 1,314,869
Payable to DPH	<u>(13,615)</u>
Net assets, June 30, 2011, restated	<u><u>\$ 1,301,254</u></u>
General Fund:	
Fund Balance, June 30, 2011	\$ 1,425,301
Payable to DPH	<u>(13,615)</u>
Fund Balance, June 30, 2011, restated	<u><u>\$ 1,411,686</u></u>

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SUPPLEMENTARY INFORMATION

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

DEPARTMENT OF PUBLIC HEALTH CONTRACT
PUBLIC HEALTH - PROGRAM 001
BUDGETARY SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Annual Budget	2012 Actual	Variance Positive (Negative)
<u>Revenues</u>			
Department of Public Health			
Grant-in-aid	\$ 1,997,925	\$ 1,997,925	\$ -
Other federal funds	20,613	38,008	17,395
Local funding participating	374,951	374,951	-
Local funding nonparticipating	258,866	258,866	-
Charges for services			
Outpatient medicare	28,000	27,662	(338)
Outpatient medicaid	8,000	6,544	(1,456)
Medicaid rehab	28,000	27,590	(410)
Medicaid pcm	5,000	3,557	(1,443)
Medicaid family planning	20,000	19,103	(897)
Client fees	229,000	325,656	96,656
Private insurance	65,000	85,071	20,071
Other party contracts	282,500	295,970	13,470
EPSDT fees	35,000	41,870	6,870
Family planning fees	20,000	20,385	385
Environmental health fees	360,000	383,164	23,164
Vital statistics fees	350,000	365,811	15,811
Other Local Funds			
Interest income	3,000	2,460	(540)
Other income	721	1,176	455
Prior year program income	1,234,722	1,234,721	(1)
Intra/Inter agency contracts	60,000	62,277	2,277
Intra/Inter agency WIC	10,000	17,466	7,466
Total Revenues	\$ 5,391,298	\$ 5,590,233	\$ 198,935

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

DEPARTMENT OF PUBLIC HEALTH CONTRACT
PUBLIC HEALTH - PROGRAM 001
BUDGETARY SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012
(CONTINUED)

	Annual Budget	2012 Actual	Variance Positive (Negative)
<u>Expenditures</u>			
Personnel			
Salaries	\$ 2,458,893	\$ 2,123,884	\$ 335,009
Hourly labor	49,852	41,207	8,645
Fringe benefits	1,159,574	1,041,716	117,858
Total Personnel	3,668,319	3,206,807	461,512
Equipment	56,700	51,196	5,504
Other Operating			
Supplies and materials	575,000	433,971	141,029
Property and equipment maintenance	205,000	155,345	49,655
Utilities	110,000	97,041	12,959
Insurance and bonding	3,500	2,966	534
Other operating	431,352	47,228	384,124
Travel	55,000	35,698	19,302
Contracts	57,000	50,697	6,303
Communications	41,427	29,610	11,817
Postage	49,000	27,768	21,232
Indirect costs	139,000	103,343	35,657
Total Other Operating	1,666,279	983,667	682,612
Total Expenditures	5,391,298	4,241,670	1,149,628
Excess (Deficit) of Revenues Over (Under) Expenditures	\$ -	\$ 1,348,563	\$ 1,348,563

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

DEPARTMENT OF PUBLIC HEALTH CONTRACT
RYAN WHITE - PROGRAM 094
BUDGETARY SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Annual Budget	2012 Actual	Variance Positive (Negative)
<u>Revenues</u>			
Department of Public Health			
Grant-in-aid	\$ 472,755	\$ 472,754	\$ (1)
Medicaid	28,000	34,029	6,029
Private insurance	13,000	12,180	(820)
Client fees	1,700	2,111	411
Prior year program income	66,970	53,355	(13,615)
Total Revenues	582,425	574,429	(7,996)
<u>Expenditures</u>			
Personnel			
Salaries	120,974	121,033	(59)
Fringe benefits	57,861	58,386	(525)
Total Personnel	178,835	179,419	(584)
Other Operating			
Supplies	20,000	13,879	6,121
Repairs and maintenance	12,000	10,806	1,194
Direct client services	250,272	194,319	55,953
Other operating	23,275	21,264	2,011
Utilities	5,400	4,867	533
Travel	4,907	1,672	3,235
Communications	6,000	5,257	743
Contracts	68,784	61,076	7,708
Postage	3,000	890	2,110
Indirect costs	9,952	7,952	2,000
Total Other Operating	403,590	321,982	81,608
Intergovernmental	-	73,028	(73,028)
Total Expenditures	582,425	574,429	7,996
Excess (Deficit) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

DEPARTMENT OF HEALTH AND HUMAN SERVICES - GRANT #H76HA00677
RYAN WHITE TITLE III - PROGRAM 362
BUDGETARY SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Annual Budget	2012 Actual	Variance Positive (Negative)
<u>Revenues</u>			
Federal contract	\$ 491,968	\$ 491,967	\$ (1)
Medicaid	16,000	23,860	7,860
Outpatient medicare	18,000	20,403	2,403
Private insurance	1,200	1,149	(51)
Prior year program income	46,879	46,880	1
Total Revenues	574,047	584,259	10,212
<u>Expenditures</u>			
Personnel			
Salaries	166,833	163,537	3,296
Fringe benefits	81,217	79,646	1,571
Total Personnel	248,050	243,183	4,867
Other Operating			
Supplies and materials	75,550	54,096	21,454
Repairs and maintenance	15,000	10,513	4,487
Utilities	6,000	4,867	1,133
Rent	17,775	17,775	-
Travel	1,500	835	665
Contract services	190,172	173,516	16,656
Communications	6,000	5,257	743
Postage	2,000	890	1,110
Indirect costs	12,000	7,757	4,243
Total Other Operating	325,997	275,506	50,491
Intergovernmental	-	65,570	(65,570)
Total Expenditures	574,047	584,259	(10,212)
Excess (Deficit) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

DEPARTMENT OF HEALTH AND HUMAN SERVICES - GRANT #H97HA19487
RYAN WHITE SPNS GRANT - PROGRAM 563
BUDGETARY SCHEDULE OF REVENUES AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	Annual Budget	2012 Actual	Variance Positive (Negative)
<u>Revenues</u>			
Federal contract	\$ 84,012	\$ 84,012	\$ -
Total Revenues	84,012	84,012	-
<u>Expenditures</u>			
Other Operating			
Supplies and materials	55,860	53,089	2,771
Contract services	28,152	30,923	(2,771)
Total Other Operating	84,012	84,012	-
Total Expenditures	84,012	84,012	-
Excess (Deficit) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

STATEMENT OF CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

FUND BALANCE - UNASSIGNED

Fund balance - unassigned - beginning of year	\$ 76,730
Additions:	
Excess county non-participating funds carried forward	-
Deductions:	
Transfer as other financing source	<u>1</u>
Fund balance - unassigned - end of year	<u>\$ 76,731</u>

FUND BALANCE - RESTRICTED

Fund balance - restricted - beginning of year	\$ 1,348,571
Additions:	
Local fees and funds carried forward	1,348,563
Deductions:	
Transfer from fund balance restricted to prior year program income	<u>(1,348,571)</u>
Fund balance - restricted - end of year	<u>\$ 1,348,563</u>

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GOVERNMENTAL REPORTS

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

SCHEDULE OF INDEPENDENT AUDITOR'S
PROPOSED FINANCIAL SETTLEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

<u>Program Name</u>	<u>Program Number</u>	<u>Proposed Financial Settlement</u>
Public Health	001	\$ -
Ryan White	094	31,401 *

* The Macon-Bibb County Board of Health received a check for \$31,401 from the Department of Public Health (DPH) after the Ryan White program was transferred to the district office. The check was not cashed and was returned to the DPH. Meanwhile, the DPH reduced the next grant allocation by \$31,401. At June 30, 2012 Macon-Bibb County Board of Health is due \$31,401.

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

SCHEDULE OF STATE CONTRACTUAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

		State Assistance	Total Expenditures	Department of Public Health Settlements Receivable/(Payable)
DPH Contract				
020-001	Public Health	\$ 1,997,925	\$ 4,241,670	\$ 188,255
020-094	Ryan White	472,754	574,429	11,110
Total Contract		2,470,679	4,816,099	199,365
Total Contractual Assistance		\$ 2,470,679	\$ 4,816,099	\$ 199,365

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Federal/Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>			
Direct:			
HIV Care Formula Grants			
Ryan White	93.918	H76HA00677	\$ 491,967
Ryan White SPNS	93.928	H97HA19487	84,012
ARRA - Immunization	93.712	n/a	25,995
Passed through Georgia State Department of Public Health:			
HIV Care Formula Grants			
Ryan White	93.917	n/a	<u>472,754</u>
Total U.S. Department of Health and Human Resources			<u>1,074,728</u>
Total Expenditures of Federal Awards			<u><u>\$ 1,074,728</u></u>

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of Macon-Bibb County Board of Health and is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Measurement Focus

The determination of when an award is expended is based on when the activity related to the award occurs.

Program Type Determination

Type A programs are defined as Federal programs with Federal expenditures exceeding the larger of \$300,000 or three percent of total Federal expenditures. The threshold of \$300,000 was used in distinguishing between Type A and Type B programs.

Method of Major Program Selection

The risk-based approach was used in the selection of Federal programs to be tested as major programs. The Board did qualify as a low-risk auditee for the fiscal year ended June 30, 2012.

Amount Provided to Subrecipients

The Macon-Bibb County Board of Health had no major programs that provided amounts to subrecipients.

MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Findings noted on the Independent Auditor's Report on the Internal Control Structure Used in
Administering Federal Financial Assistance Programs:

NONE REPORTED

J. Russell Lipford, Jr., CPA
 Mark O. Hardison, CPA
 Terry I. Parker, CPA
 Christopher S. Edwards, CPA
 Lynn S. Hudson, CPA
 Kevin E. Lipford, CPA

Member of
 American Institute of
 Certified Public Accountants
 Truman W. Clifton (1902-1989)

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
 AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
 OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
 GOVERNMENT AUDITING STANDARDS**

Macon-Bibb County Board of Health
 Macon, Georgia

We have audited the financial statements of the governmental activities and the major fund of Macon-Bibb County Board of Health, a component unit of Bibb County, Georgia, as of and for the fiscal year ended June 30, 2012, which collectively comprise the Macon-Bibb County Board of Health's basic financial statements and have issued our report thereon dated November 7, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Macon-Bibb County Board of Health is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Macon-Bibb County Board of Health's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Macon-Bibb County Board of Health's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Macon-Bibb County Board of Health's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Macon-Bibb County Board of Health's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, the U.S. Department of Health and Human Services and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Macon, Georgia
November 7, 2012

Chas. H. H. H. H.

J. Russell Lipford, Jr., CPA
Mark O. Hardison, CPA
Terry I. Parker, CPA
Christopher S. Edwards, CPA
Lynn S. Hudson, CPA
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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Macon-Bibb County Board of Health
Macon, Georgia

Compliance

We have audited Macon-Bibb County Board of Health's, a component unit of Bibb County, Georgia, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Macon-Bibb County Board of Health's major federal programs for the fiscal year ended June 30, 2012. Macon-Bibb County Board of Health's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Macon-Bibb County Board of Health's management. Our responsibility is to express an opinion on Macon-Bibb County Board of Health's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Macon-Bibb County Board of Health's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Macon-Bibb County Board of Health's compliance with those requirements.

In our opinion, Macon-Bibb County Board of Health complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the fiscal year ended June 30, 2012.

Internal Control Over Compliance

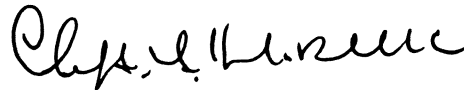
Management of Macon-Bibb County Board of Health is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Macon-Bibb County Board of Health's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Macon-Bibb County Board of Health's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be *material weaknesses*, as defined above.

This report is intended solely for the information and use of management, the Board of Directors, others within the entity, the U.S. Department of Health and Human Services and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Macon, Georgia
November 7, 2012



MACON-BIBB COUNTY BOARD OF HEALTH
MACON, GEORGIA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

Section I – Summary of Auditor’s Results

Financial Statements

Type of auditor’s report issued	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	No
Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
Type of auditor’s report issued on compliance for major programs	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	No

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program</u>
<i>Department of Health and Human Services</i> 93.918	Ryan White

Dollar threshold used to distinguish between Type A and Type B programs:	\$300,000
Auditee qualified as low-risk auditee?	Yes

Section II – Financial Statement Findings

No matters were reported.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

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